

BONN ECON NEWS

November 25–29, 2024

Overview

Workshops and seminars

Tuesday, November 26, 2024

BGSE Brown Bag Seminar in Applied Microeconomics

Zilan Erol (BGSE)

“Fairness Preferences and Perfectionism”

BGSE Brown Bag Seminar in Applied Microeconomics

Theresa Hübsch (BGSE)

“Self-Promotion in Job Applications”

Bonn Applied Microeconomics Seminar (CRC TR 224 Seminar)

Seda Ertaç Güler (Koç University)

“Exposure to Competitive Performance Settings and the Willingness to Enter Tournaments”

Wednesday, November 27, 2024

BGSE Micro Workshop

Mengxi Zhang (University of Bonn)

“Dynamic (In)Consistency, Revelation Principle, and Full Surplus Extraction”

MEF/ECONtribute Seminar (Macro/Econometrics)

Oksana Leukhina (Federal Reserve Bank of St. Louis)

“College Access and Intergenerational Mobility”

Finance/CRC Seminar

Xiao Yin (University College London)

“Title”

Micro Theory Seminar

Ignacio Monzón (University of Turin)

“Mediation in Dynamic Contracting”

Thursday, November 28, 2024

Econometrics & Statistics

Aureo de Paula (University College London)

“Underwater: Strategic Trading and Risk Management in Bank Securities Portfolios”

Kick-off Workshop: Center for Advanced Studies “Finance & Inequality” (CASFI)

Registration required (There are still a few free spots available)

For more details please see the program

Friday, November 29, 2024

Applied Micro Coffee

Yana Radeva (University of Bonn)

“Reasoning about the Gender Wage Gap”

Workshops and seminars

Tuesday, November 26, 2024

BGSE Brown Bag Seminar in Applied Microeconomics

Zilan Erol
(BGSE)

"Fairness Preferences and Perfectionism"

Time

12:30–13:15 CET

Location

IZA, Conference Room, Schaumburg-Lippe-
Straße 9

Abstract

Understanding the effect of fairness preferences on the distribution of resources is a crucial question for economics and social-sciences research. While standard economic theory proposes certain straightforward decision rules in allocation problems, fairness judgments are rarely straightforward. In this study, I explore whether decision-makers create earnings inequality between two individuals who put in equal effort and receive the same pay but differ in their maximum potential effort. In a survey experiment with a worker–spectator design, 28% of respondents alter the initial earnings equality between two hypothetical workers with equal performance. Women and, to a weaker extent, perfectionists are more likely to distort the equality of initial earnings, highlighting the role of personality traits in fairness preferences.

BGSE Brown Bag Seminar in Applied Microeconomics

Theresa Hübsch
(BGSE)

"Self-Promotion in Job Applications"

Time

13:15–14:00 CET

Location

IZA, Conference Room, Schaumburg-Lippe-
Straße 9

Abstract

This research project examines how self-promotion—self-reported skill levels on a 0–10 scale that impact job prospects—varies by individual characteristics and strategic concerns. Using an incentivized survey experiment simulating a job application, I find that women self-report lower skill levels than men, conditional on ability. The gender gap is larger for logical thinking than for English skills and remains stable when participants anticipate skill tests. In contrast, differences in self-promotion by socioeconomic status (SES) reflect strategic considerations: high-SES participants report lower scores when informed about subsequent ability tests, while low-SES participants' scores remain stable.

Bonn Applied Microeconomics Seminar (CRC TR 224 Seminar)

<p>Seda Ertaç Güler (Koç University)</p>	<p>"Exposure to Competitive Performance Settings and the Willingness to Enter Tournaments"</p>
<p>Coauthors Sunduz Divle, Mert Gumren</p> <p>Time 14:15–15:30 CET</p> <p>Location IZA, Conference Room, Schaumburg-Lippe-Straße 9</p>	<p>Abstract We design and evaluate the effects of two educational interventions based on teaching elementary school students coding. One involves competitive incentives and dynamic relative performance information, and aims to give children experience with competition in a controlled environment. The other intervention gives the same educational content but with individualistic as opposed to competitive incentives. We report preliminary results on the effects of the interventions on the willingness to enter tournaments, gender gaps, and efficiency consequences.</p>

Wednesday, November 27, 2024

BGSE Micro Workshop

<p>Mengxi Zhang (University of Bonn)</p>	<p>"Dynamic (In)Consistency, Revelation Principle, and Full Surplus Extraction "</p>
<p>Coauthor David Ahn</p> <p>Time 12:00–13:00 CET</p> <p>Location Juridicum, Reinhard Selten Room (0.017)</p>	<p>Abstract We investigate the full mechanism design problem for allocating an indivisible object to agents with non-expected utility preferences. Our primary methodological contribution is the introduction of a novel revelation principle for sophisticated agents, enabling the reduction of dynamic mechanisms to direct static mechanisms. Utilizing this principle, we analyze the canonical revenue maximization problem and establish new connections between the seller's revenue and the allocation rule, extending the classical Myersonian envelope characterization approach. Furthermore, we identify conditions under which (almost) full surplus extraction is achievable. These findings offer valuable insights for applying mechanism design beyond expected utility settings, and highlight which instruments a social planner should restrict to protect non-expected utility agents from exploitation.</p>

MEF/ECONtribute Seminar (Macro/Econometrics)

Oksana Leukhina (Federal Reserve Bank of St. Louis)	"College Access and Intergenerational Mobility"
Coauthors Lutz Hendricks, Tatyana Koreshkova	Abstract This paper studies how college admissions preferences for low income students affect intergenerational earnings mobility. We develop a quantitative model of college choice with quality differentiated colleges. We find that admissions preferences substantially increase low income enrollment in top quality colleges and intergenerational earnings mobility. The associated losses of aggregate earnings are very small.
Time 12:15–13:30 CET	
Location Juridicum, Faculty Meeting Room (U1.040)	

Finance/CRC Seminar

Xiao Yin (University College London)	"Title"
Time 14:45–16:00 CET	Abstract TBA
Location Juridicum, Faculty Lounge (0.036)	

Micro Theory Seminar

Ignacio Monzón (University of Turin)	"Mediation in Dynamic Contracting"
Coauthors Doruk Cetemen, Dino Gerardi and Lucas Maestri	Abstract We study communication in dynamic contracting with limited commitment. A firm and a worker interact over time. The worker is privately informed about his productivity. In each period, the firm offers a menu of short-term contracts. The interaction between the firm and the worker continues provided that the worker accepts a contract and finishes otherwise. We let the parties communicate through a trustworthy mediator. We allow for a class of natural and simple communication protocols (good news, bad news or both). We characterize the optimal communication protocol for the firm. We find that it is optimal to only use bad news and to reveal information gradually.
Time 16:30–17:45 CET	
Location Juridicum, Faculty Meeting Room (U1.040)	

Econometrics & Statistics

<p>Aureo de Paula (University College London)</p>	<p>"Underwater: Strategic Trading and Risk Management in Bank Securities Portfolios"</p>
<p>Coauthors Teodora Paligorova, James I. Vickery</p> <p>Time 16:00–17:00 CET</p> <p>Location Faculty Meeting Room (U 1.040)</p>	<p>Abstract</p> <p>We use bond-level data to study how US banks manage their securities portfolios, focusing on bank responses to the rapid shift in interest rates in 2022–23 and the role of financial and regulatory frictions in shaping bank behavior. Interest rate risk in bank portfolios increased sharply as rates rose, but with significant cross-bank heterogeneity depending on the ex ante share of bonds with embedded options. Exposed banks did not, however, offset the rise in risk either by selling long-duration bonds or hedging using "qualified" accounting hedges. We identify two frictions that may help account for this inertia. First, we show banks are highly averse to selling underwater bonds at a discount to book value—e.g., banks were 8–9 times more likely to trade bonds with unrealized gains than unrealized losses in 2022–23. This "strategic" trading is more pronounced for banks that do not recognize unrealized losses in regulatory capital and banks with low stock market valuations. Second, frictions in establishing qualified accounting hedges limited hedging activity depending on bond type and accounting classification. Banks did, however, reduce the sensitivity of regulatory capital to interest rates by classifying the riskiest bonds as held-to-maturity.</p>

Kick-off Workshop: Center for Advanced Studies "Finance & Inequality" (CASFI)

<p>Registration required (There are still a few free spots available)</p>	<p>For more details please see the program</p>
<p>Hosts Prof. Christian Bayer, Prof. Carsten Burhop</p> <p>Date November 28–29, 2024</p> <p>Location Universitätsclub Bonn, Konviktstraße 9, Schumpeter Conference Room (1st floor)</p>	<p>Contact person Kim Schneider (kim.schneider@uni-bonn.de)</p>

Applied Micro Coffee

Yana Radeva
(University of Bonn)

"Reasoning about the Gender Wage Gap"

Coauthor

Malin Siemers

Time

11:00-11:45 CET

Location

IZA, Conference Room, Schaumburg-Lippe-
Straße 9

Hybrid

[https://uni-bonn.zoom-x.de/j/
67208563416?](https://uni-bonn.zoom-x.de/j/67208563416?pwd=MhXepJyBzPIIDTDzT1YmKlpIVtHuf6.1)

[pwd=MhXepJyBzPIIDTDzT1YmKlpIVtHuf6.1](https://uni-bonn.zoom-x.de/j/67208563416?pwd=MhXepJyBzPIIDTDzT1YmKlpIVtHuf6.1)

Abstract

The gender wage gap remains an important measure of economic inequality. While research has extensively examined its drivers, little is known about how the general public perceives the issue.

Understanding public reasoning is crucial, as it directly influences both general policy attitudes and support for specific interventions. To address this, we design a survey experiment that incorporates an information treatment based on an empirical decomposition of the gender wage gap. Preliminary results from a pilot study show that the perceptions of the drivers of the gender wage gap are strongly correlated with political views and policy support, with notable differences in perceptions across gender and political affiliation. Our findings highlight the importance of public reasoning in shaping effective policy responses to the gender wage gap.